SENATE BILL REPORT SHJR 4205

As Reported By Senate Committee On: Early Learning, K-12 & Higher Education, March 31, 2005 Ways & Means, April 4, 2005

Brief Description: Amending the Constitution to provide for a simple majority of voters voting to authorize a school levy.

Sponsors: House Committee on Education (originally sponsored by Representatives Schual-Berke, Haigh, Jarrett, Quall, Tom, Hunter, Hunt, Fromhold, Chase, Appleton, Darneille, Williams, Clibborn, McDermott, Simpson, P. Sullivan, Dickerson, O'Brien, Wood, Sells, Roberts, Green, Conway, Hudgins, Kirby, Kenney, McIntire, Dunshee, Hasegawa, Linville, Santos, Kagi, Ormsby, Lantz, Moeller and Blake).

Brief History:

Committee Activity: Early Learning, K-12 & Higher Education: 3/23/05, 3/31/05 [DP-WM, DNP].

Ways & Means: 4/4/05 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Pridemore, Vice Chair; Weinstein, Vice Chair; Schmidt, Ranking Minority Member; Berkey, Eide, Kohl-Welles, Pflug, Rasmussen, Rockefeller and Shin.

Minority Report: Do not pass.

Signed by Senators Benton, Carrell, Delvin, Mulliken and Schoesler.

Staff: Heather Lewis-Lechner (786-7448)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Brandland, Kohl-Welles, Pflug, Pridemore, Rasmussen, Regala, Rockefeller and Thibaudeau.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators Parlette and Roach.

Staff: Bryon Moore (786-7726)

Senate Bill Report - 1 - SHJR 4205

Background: The Washington State Constitution gives school districts the power to levy additional taxes and assume debt upon voter approval.

Excess Property Tax Levies: There are two methods for authorizing excess property taxes for school districts. The first method requires a 40 percent voter turnout; the other does not. In the first method, a levy is approved if at least 60 percent of those voting in a school district election vote "yes" and the number of voters who turn out exceeds 40 percent of the voters who participated in the district's last general election. In the second method, a levy is approved if the number of "yes" votes is at least equal to 60 percent of the 40 percent of the number of voters who voted in the district's last general election.

General Obligation Bonds: A school district may issue general obligation bonds for capital purposes in excess of set limits only if at least 60 percent of those voting in a district election vote "yes" and the number of voters who turn out equals or exceeds 40 percent of the number of voters who participated in the district's last general election.

<u>Incurring Debt:</u> Under the Constitution, a school district may incur debt up to 5 percent of the value of the taxable property in the district if the proposition is approved by 60 percent of the votes cast in an election for that purpose. A school district may incur debt for capital outlays up to 10 percent of the value of the taxable property in the district if the proposition is approved by 60 percent of the votes cast in an election for that purpose.

To amend the Constitution, a bill must be passed by a two-thirds majority of both houses of the Legislature and approved by a majority of the people.

Summary of Amended Bill: An amendment to the Washington State Constitution is proposed to provide for a simple majority of voters to authorize excess capital, maintenance and operation, and transportation levies for school districts provided that the number of affirmative votes equals 15 percent of the registered voters of that jurisdiction. The amendment removes the 40 percent election validation requirement for levy elections.

Amended Bill Compared to Original Bill: For simple majority to apply to capital, maintenance and operation, and transportation levies for school districts, 15 percent of the registered voters of that jurisdiction must vote in the affirmative.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Testimony For: This resolution is levies only, not bonds, which is a tremendous compromise; but this is a still significant positive policy move. Super-majority requirements were put into the Constitution in 1944, times are different today. Elections can not be held in stealth today. Not once since 1944 have we allowed the people of this state to vote again on this issue. It is time to give the people the opportunity to speak. Simple majority should not be limited to only general elections; it is simple not practical. Due to the timing of when districts need to sign teachers' contracts and other budgetary requirements, districts need to be able to run their levies in the spring. Additionally, running these levies at the November general election could result in the levy issue being lost in all the other issues on the ballot.

By running the levy at the special elections, districts can focus on the issue and educate people on the issue. You need to let school districts retain the local control over when to run the levies. Levy failures cause the focus of the district to shift dramatically from educating our students and getting them to meet graduation requirements to forcing them into a crisis mode of revising budgets and figuring out what they are going to do if the levy fails a second time.

Testimony Against: Some of the reasons that existed in 1944 and led to the Constitutional amendment still exist today. The super-majority requirement gives some protections to property owners who are experiencing tough economic times and high unemployment. With the super-majority requirement, the responsibility is rightfully on the school districts to compellingly prove their need for the levy. It also imposes and encourages fiscal responsibility on the districts. Super-majority requirements are not unfair, non-property owners are allowed to vote to raise property taxes and that is what is unfair because they do not bare the tax burden. Super-majority requirements allow the necessary protections and control to those who are paying the tax. Additionally, this resolution is not needed because levies do pass at the super-majority requirements right now.

Who Testified: PRO: Representative Schual-Berke, prime sponsor; Catherine Ahl, North Kitsap School Board; Barbara Mertens, WASA; Brian Conlin, Washington PTA; Don Rash, Association of Washington School Principals; Bob Butts, OSPI; Stan Bowman, American Institute of Architects, Washington Council; Mary Kenfield, Washington PTA.

CON: Donald Baker, citizen.